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I. Organizational matters

1. The annual session 2003 of the Executive Board of UNDP and UNFPA met from 6 to 19 June in New York. At the session, the Executive Board approved the agenda and work plan for its annual session 2003 (DP/2003/L.2 and Corr.1), as orally amended, and the report on the first regular session 2003 (DP/2003/9).

2. It agreed in decision 2003/21 to the following schedule of future sessions of the Executive Board in 2003 and 2004:

Second regular session 2003:	8 to 12 September 2003
First regular session 2004:	26 to 30 January 2004
Annual session 2004:	14 to 25 June 2004 (Geneva)
Second regular session 2004:	20 to 24 September 2004

3. Decisions adopted at the annual session 2003 were included in document DP/2003/26 accessible at www.undp.org/execbrd/index.htm.

UNDP segment

II. Annual report of the Administrator

4. The Administrator was congratulated for his reappointment to a second term in recognition of his outstanding performance during the first term and his commitment to the MDGs. He was also commended for his overview statement on his annual report for 2002 (DP/2003/11), including the report of the Joint Inspection Unit (DP/2003/11/Add.1) and statistical annex (DP/2003/11/Add.2), and his vision for the second term. Delegations also discussed the reports on the multi-year funding framework (MYFF) (DP/2003/12 and DP/2003/CRP.14).

5. UNDP was congratulated for its performance in the current MYFF cycle (2000-2003). They commended the organization for: (a) its support in the preparation of the *Human Development Report* and the regional and national human development reports; (b) strengthening partnerships with governments, the private sector, non-governmental and civil society organizations, intergovernmental regional groups and international financial institutions, in particular the World Bank; (c) coordinating activities at the country level to improve coherence, efficiency and effectiveness; (d) promoting, advancing and monitoring the MDGs in support of programme countries; (e) supporting efforts in peace-building and countries in special development situations, as well as democratic governance, especially in decentralization and local governance, electoral processes, institution-building and human capacity development.

6. On staffing, delegations observed that improvements in the assessment of resident coordinators had resulted in hiring high quality staff, and noted that staff confidence and motivation had improved as demonstrated by the global staff survey.

7. On resources, delegations welcomed the upward trend in regular resources. They noted, however, that the level of core resources had remained below target. They urged Member States in a position to do so to increase their regular contributions.

8. Some delegations stressed that the main role of UNDP was to assist programme countries in accordance with their national policies and priorities. Capacity-building in the context of South-South cooperation was also underscored.

9. Some delegations sought clarification on how UNDP intended to: (a) strengthen United Nations collaboration and ensure that the various activities of members of the United Nations Development Group (UNDG) were harmonized to complement one another; and (b) deal with HIV/AIDS and the environment in support of programme countries.

10. Delegations recommended that: (a) the annual report of the Administrator should be more results oriented and analytical – pointing out areas of success, where difficulties were experienced, and planned actions to resolve them; (b) the results-oriented annual report (ROAR), the MYFF and annual reports of the Administrator should be realigned to avoid duplication; (c) the organization should be more focused in line with its comparative advantage; (d) strengthen further UNDP partnership with international financial institutions, in particular the World Bank, regional entities, the private sector, and civil society organizations; (e) UNDP should continue its efforts in gender-mainstreaming in collaboration with the United Nations Development Fund for Women (UNIFEM); (f) UNDP should simplify and refine further the content and format of the succeeding MYFF, 2004-2007, so that it become the main UNDP policy document and strategic resource mobilization and management tool.

11. Responding to comments about his annual report for 2002, the Administrator acknowledged that there was a need to improve the quality and timeliness in reporting on financial and programme matters. He reported that the Bureau for Resources and Strategic Partnerships had been strengthened and the Enterprise Resource Planning (ERP) system introduced to address those challenges. He also stressed that the overall goal of the organization was to assist national authorities in developing capacities at various levels as determined by governments. Regarding support to the asset base of the poor, the Administrator advised that the United Nations Capital Development Fund (UNCDF) had been streamlined to focus on local governance in order to empower the poor and improve their living standards by providing micro-finance to small and medium-sized enterprises.

12. The Administrator reported that the launch of the *Human Development Report* on the Millennium Development Goals in Dublin and Maputo in 2003 was an attempt to strengthen the partnership among developed and developing countries. He also observed that the structure of the MDGs had been designed to benefit from the comparative advantages and competencies of various organizations in order to realize the overall goal of ending human poverty.

13. He appealed for more support to the organizations regular (core) resource base so that the new UNDP could adequately meet the demands of programme countries.

14. Regarding comments on the MYFF, UNDP representatives noted that there was a need to measure and present results better, be more focused in programme thematic areas, improve the methodology and format of the second MYFF 2004-2007 and simplify its presentation. They also noted that the content of the second

MYFF could, inter alia, include governance, crisis prevention and recovery, as well as cross-cutting issues such as gender. They noted the comment that UNDP areas of focus in energy and environment programmes at the country level should depend on its comparative advantage vis-à-vis other stakeholders within the framework of the common country assessment (CCA) and the United Nations Development Assistance Framework (UNDAF). They reiterated that the overarching goal would continue to be poverty reduction.

15. The Executive Board was advised that before the report on the second MYFF, 2004-2007, (DP/2003/32) was finalized for presentation at the second regular session 2003, more consultations would be undertaken, including with members of the Board through bilateral contacts and/or informal meetings.

16. The Executive Board adopted decisions 2003/8 on the MYFF and 2003/7 on joint programming.

Special event on UNDP knowledge services

17. At the annual session 2003 of the Executive Board, UNDP organized the special event entitled Knowledge Services: Real Time Solutions for a Developing World. The event demonstrated how UNDP offered state-of-the-art knowledge services that engaged a global network of development practitioners to provide timely and high-quality advice, expertise and know-how to the countries served by the organization.

18. Facilitators from the knowledge networks, staff from the sub-regional resource facilities (SURFs) and thematic specialists from headquarters participated in the special event. Through a set of questions submitted earlier by members of the Executive Board, the facilitators demonstrated the process of comprehensive consultations and networking that was involved in obtaining answers in the shortest possible time. The delegations were very impressed by the results and congratulated UNDP for the excellent service it provided to programme countries. They encouraged UNDP to continue and expand the service in order to support programme countries better.

III. United Nations Capital Development Fund

19. Delegations congratulated UNCDF for an excellent results-oriented annual report (ROAR) for 2002 (DP/2003/13), commending it for its transparency, frankness and effective articulation of past achievements and future challenges. Delegations also expressed appreciation to the delegation of Niger for the country's decentralization process and to UNCDF for its role in supporting it. The representatives of the least developed countries (LDCs) and other programme countries expressed their strong appreciation for the role of UNCDF in helping poor communities to improve their standards of living through decentralization, local governance and micro-finance activities. Delegations from both donor and programme countries regretted that, despite the good performance of UNCDF on the ground, inadequate resources had prevented the Fund from meeting programme country demands for its small-scale investment and capacity-building services. They called for more resources to meet the target of $30 million in regular (core)

resources per annum. They also called on the Executive Secretary of UNCDF to continue efforts to mobilize more resources and broaden the donor base. They welcomed the ongoing independent impact assessment of UNCDF and underlined its significance for the future of the Fund.

20. Delegations called on UNCDF to continue improving the ROAR methodology by establishing, for example, a better link between project-level results and achieved outcomes and developing more precise indicators to measure policy impact. They also invited UNCDF to address the challenges of gender mainstreaming and monitoring and evaluation. In view of resource constraints, the Executive Secretary was invited to provide more information on the strategic choices of UNCDF in positioning itself as purveyor of financial services, facilitator of appropriate enabling environments and coordinator. It was also recommended that UNCDF optimize the use of its limited resources and continue to focus on the most needy. In the area of micro-finance, as a result of the proliferation of activities among United Nations organizations and its cross-cutting links with other issues, such as HIV/AIDS and gender, UNCDF was asked to clarify its partnership with other United Nations organizations in micro-finance. It was also suggested that UNCDF could perhaps serve as the coordinating agency for micro-finance.

21. The Executive Secretary observed that UNCDF was working closely with the United Nations Department of Economic and Social Affairs to draft a programme of action for the International Year of Microcredit in 2005. He acknowledged that as UNCDF is moving towards a sectoral approach in micro-finance, UNCDF could, as suggested by some members of the Executive Board, play a role in coordinating the various micro-finance activities of United Nations organizations.

22. The Executive Secretary reminded the Executive Board that the General Assembly had mandated UNCDF to provide capital investment funds as its first priority; accordingly the organization's focus has been on decentralized public investments through local governance and micro-finance. He pointed out that there was strong demand for UNCDF technical advisory services from programme countries, and appealed for more resources to meet their demands.

23. He advised the Executive Board that UNCDF had begun work on the impact assessment to be presented to the Board in 2004.

24. The Executive Board adopted decision 2003/9, inter alia, urging the international community to follow up on decision 2002/26 and calling on UNCDF to inform the Board of its strategy to achieve the objectives set out in that decision at its second regular session 2003.

IV. Technical cooperation among developing countries

25. Delegations, in discussing document DP/2003/14, stressed their support for technical cooperation among developing countries (TCDC), noting its ongoing relevance and effectiveness as a tool in poverty eradication. They commended the Special Unit for TCDC for its progress in mainstreaming TCDC, while encouraging the Special Unit to continue its efforts to broaden partnerships and mobilize resources to meet increasing demands, and engage in activities that assist countries in special development situations.

26. They also encouraged the Special Unit to continue its efforts in expanding the Web of Information for Development (WIDE) and the journal *South-South Cooperation* as a means of sharing information, knowledge and experiences for development among all stakeholders.

27. Delegations noted with satisfaction the use of triangular cooperation and efforts made to reach other stakeholders. Some delegations particularly welcomed the inclusion of remittances for development in South-South cooperation as an important step in broadening partnerships between developed and developing countries, and with the private sector, non-governmental organizations, regional development banks and civil society organizations. Delegations also encouraged the Special Unit to make further efforts in this area.

28. One delegation believed that the Special Unit had achieved its objectives, and saw a contradiction between its work and the mainstreaming of TCDC. Other delegations believed that the Special Unit, which was created by the General Assembly to promote and coordinate TCDC within the United Nations system and globally, had a key role in mainstreaming the TCDC modality in all development cooperation activities.

29. The Associate Administrator and the Director, Special Unit for TCDC, recalled the various resolutions and decisions of the General Assembly regarding the creation and mandate of the Special Unit for TCDC and South-South cooperation and the active role that the Administrator should play to strengthen it. They advised that the mainstreaming of certain activities had not resulted in the phasing out of the units with key responsibilities for such activities.

30. The meagre disbursement of core resources resulted in large part from the appointment of the new Director and Deputy Director, both of whom needed time to review the status of the programmes. With the consolidation of the programme exercise completed, the disbursement of core resources would be more rapid than before. Other (non-core) resources had been disbursed as planned.

31. The countries that play a pivotal role in TCDC would assist other Southern countries through training and exchange of knowledge and experiences. The Special Unit for TCDC would backstop such interactions. A South-South conference on cost-effective access to the Internet in Africa, scheduled for July 2003 in Cameroon, was being organized by the Special Unit for TCDC in collaboration with the International Telecommunication Union.

32. The report contained gaps in reporting on country activities because the Special Unit for TCDC had not received the requested information from some programme countries.

33. The Executive Board adopted decision 2003/10.

V. Funding commitments

34. The Administrator, in introducing documents DP/2003/15 and DP/2003/CRP.13, expressed his disappointment that regular (core) resources remained below the agreed targets, in spite of UNDP reforms.

35. Delegations welcomed the encouraging modest increase in UNDP core resources for the second consecutive year, noting, however, that the existing levels were sub-optimal. At the heart of that problem remained the extreme vulnerability that continued to affect all United Nations funds, programmes and specialized agencies in an environment of voluntary funding.

36. One delegation expressed strong support for the $1 billion core target that would give UNDP the critical mass it needed, and informed the Executive Board of an initiative, welcome by other delegations, in discussing with partners how to fund UNDP. Some delegations encouraged UNDP to continue its efforts to broaden the base of donor support.

37. Delegations also stressed that core resources constituted the bedrock of UNDP funding and were thus essential for maintaining the multilateral, neutral and universal nature of the organization's work.

38. A number of delegations announced their commitments to core resources, including some that made multi-year pledges for future years, envisaging continued increases in their contribution to core resources.

39. The UNDP representatives thanked delegations for their expressions of continued financial support although levels remained below target. They clarified that core resources were not subsidizing non-core funded activities. They also reported that the increase in core resources was a result of the rise in local currency contributions and gains from movements in exchange rates.

40. The Executive Board adopted decision 2003/11.

VI. Country programmes and related matters

41. The Executive Board reviewed the extension of the global cooperation framework (DP/GCF/2/EXTENSIONS I); extensions of country cooperation frameworks for Angola, the former Yugoslav Republic of Macedonia, Mauritius, Tajikistan, Uruguay and Zimbabwe; Georgia (DP/2003/16); and the first country programme outlines for Benin, Kenya, Niger, Pakistan, Thailand, Croatia, and the Russian Federation.

42. Delegations commended UNDP for producing good quality country programme outlines (CPOs). Some suggestions, however, were offered to improve the preparation of future CPOs.

43. Several delegations suggested that CPOs should be based even more explicitly on the common country assessment (CCA) and the United Nations Development Assistance Framework (UNDAF) in order to facilitate United Nations harmonization, coordination and coherence at the country level. It was suggested that when an UNDAF was not completed in time for it to guide the subsequent country programming exercise, the existing country programme should be extended, rather than present a new country programme to the Executive Board that is not fully consistent with the UNDAF.

44. Several delegations, furthermore, called for an improvement in the consultation process at various levels in programme design, implementation and monitoring. In-country consultations should include specific meetings with the country's major

international development partners as well as private sector and civil society organizations.

45. Other recommendations highlighted the need for country programmes to indicate major partners for each expected outcome clearly, if possible showing the proposed division of labour among all stakeholders.

46. The respective regional bureaux would submit country specific comments and recommendations to country offices concerned for their discussion with local stakeholders. Finalized country programmes would be uploaded onto each bureau web site by 15 October 2003, with a hyper link from the Executive Board secretariat web site. They would be approved without debate at the first regular session of the Executive Board in January 2004 in the absence of notice from five or more countries.

47. The Executive Board took note of the first country programme outlines and comments made thereon for Benin, Kenya, Niger, Pakistan, Thailand, Croatia, and the Russian Federation, and the first one-year extensions of second country cooperation frameworks for Angola, the former Yugoslav Republic of Macedonia, Mauritius, Tajikistan, Uruguay and Zimbabwe (DP/2003/16).

48. The Executive Board approved the two-year extension of the second country cooperation framework for Georgia (DP/2003/16), and the one-year extension of the second global cooperation framework (DP/GCF/2/EXTENSION I).

VII. Human Development Report

49. Delegations, in discussing document DP/2003/17, welcomed the opportunity to discuss matters related to the *Human Development Report* at the Executive Board level. They also appreciated the pre-session informal meetings, which helped to clarify a number of issues.

50. Delegations stressed the importance of comprehensive consultations with national authorities and relevant international organizations in the collection of data, statistics and other information for the reports. They also underscored the importance of holding consultations in selecting the topic for the *Human Development Report*.

51. Delegations urged the Human Development Report Office to ensure that the reports maintain high quality, are reliable and impartial. They also stressed that the editorial independence of the reports should not be compromised.

52. The Director, Human Development Report Office, reaffirmed her office's commitment to further strengthen procedures and processes of consultations with all stakeholders. Efforts were also being made to enhance the rigour in data collection and analysis, and to provide more detailed explanations of data quality and limitations in order to facilitate their appropriate use and interpretation. She underscored the importance of consultations with members of the Executive Board.

VIII. United Nations Office for Project Services

53. Delegations, in discussing documents DP/2003/18, DP/2003/19 and DP/2003/20, noted with appreciation that UNOPS had turned the corner in 2002 with an income higher than administrative expenditure. They cautioned, however, that the situation remained fragile and every effort should be made to contain costs and monitor closely the fee structure.

54. The management and staff of UNOPS were commended for their hard work in a difficult environment. They welcomed the appointment of Nigel Fisher as the next Executive Director of UNOPS. They also paid tribute to Mr. Gerald Walzer, the Executive Director, a.i., for his commendable management of UNOPS during the transition period.

55. Some delegations called on the organization to diversify the client base and realign its diversification strategy in an increasingly competitive and evolving market. They appreciated the agreement frameworks that had already been signed with a number of United Nations organizations.

56. The Executive Director, a.i., and the Deputy Executive Director, UNOPS, reported with cautious optimism the satisfactory management of the resources of the organization to date. They observed that steps had been taken to expand business in order to improve the resource situation of UNOPS; noting, however, that their efforts were being constrained by the unfavourable current trends in international business and development assistance.

57. They stressed that the ongoing independent review of UNOPS business model constituted a real opportunity to build a strong and self-sustaining organization.

58. The Executive Board adopted decision 2003/12. Delegations looked forward to receiving the report of the independent review for discussion at the second regular session 2003.

Joint UNDP/UNFPA segment

IX. Improvement of the working methods of the Executive Board

59. Delegations, in discussing the information paper, commended the Bureau for concrete activities that had taken place to improve the working methods of the Executive Board.

60. Suggestions, which the Bureau proposed and implemented at the annual session, helped to improve the drafting of decisions through a more consultative and transparent manner. Delegations appreciated the daily briefs issued by the Bureau, which were introduced for the first time.

61. Proposed areas of improvement included: (a) arranging an alternative seating plan to facilitate better interaction; (b) expediting submission of reports to delegations, allowing them sufficient time for their review; (c) reducing the sessions to two per year and strengthening the meetings of the joint Boards; (d) holding annual sessions in New York to reduce expenditures; (e) ensuring that meetings of

the Board are more focused, while encouraging informal and joint statements; (f) abolishing the second regular session of the Board because it takes place immediately after the summer holidays and coincides with the opening of the General Assembly; (g) providing a list of acronyms in all languages.

62. The Executive Board called on the Bureau of the Board to follow up on those suggestions and report back to the Board accordingly.

X. Internal audit and oversight

United Nations Development Programme and United Nations Office for Project Services

63. Delegations, in discussing documents DP/2003/21 and DP/2003/22, commended UNDP and UNOPS for the extensive information contained in the reports and for their transparency and candour. They underscored the important role that the Enterprise Resource Planning (ERP) system was expected to play in addressing the problems that had been identified in the reports.

64. They appreciated the measures that UNDP had implemented in addressing the issues in the report, in particular the creation of a dedicated investigation section. The participation of the Office of Audit and Performance Review in efforts to harmonize the audit practices of UNDP, UNFPA, the United Nations Children's Fund (UNICEF) and the World Food Programme (WFP) through the United Nations Harmonization Task Force were also commended.

65. Delegations wished to know what were the existing areas of concern (in the previous year procurement had been mentioned). UNDP was also urged to monitor closely the concerns raised in connection with the work of the Bureau for Crisis Prevention and Recovery. Furthermore, delegations wished to know when the functional separation in the internal control system introduced in 2000 would be fully implemented.

66. Delegations observed that the increase in other (non-core) resources was putting the impartiality and universality of UNDP at risk, and placing a heavy administrative burden on the organization with negative impact for regular (core) resources and long-term repercussions at the country level.

67. UNDP was urged to develop a cost recovery policy and rate with regard to non-core resources.

68. The Director, Office of Audit and Performance Review, stated that because of their financial significance the areas that posed risks were procurement and human resource management, especially in field operations. A new area of risk was emerging – and would remain pertinent for the subsequent 18 months – as a result of the allocation of resources for the implementation of the new ERP system. He observed, however, that it was unclear whether locally developed systems would adequately support field operations. The ERP system had also been designed to address the issue of functional separation. He cautioned that it was too early to provide a specific date when the separation of functions would be completed.

69. The Executive Board adopted decision 2003/14, in which it encouraged UNDP and UNOPS to address the issues contained in their respective reports and to report to the Board at its annual session 2004.

United Nations Population Fund

70. The Deputy Executive Director (Management) introduced the UNFPA report on internal audit and oversight activities in 2002 (DP/FPA/2003/3) and highlighted key issues, findings and follow-up actions. She underscored that UNFPA management was fully committed to ensuring accountability at all levels of decision-making and addressing areas that required improvement. She noted that as part of the transition, UNFPA now had an Oversight Committee, chaired by the Executive Director, dedicated to ensuring the effectiveness of the Fund's accountability systems and processes. She stated that as a result of the efforts made to increase project audit coverage, the Fund's financial statements for the 2000-2001 biennium received an unqualified audit opinion.

71. Several delegations expressed appreciation for the candour of the report and were pleased that UNFPA paid serious attention to audit findings and recommendations, and that senior management was following up and addressing the issues highlighted in the report. One delegation, speaking also on behalf of numerous other delegations, commended the transparency and thoroughness of the report. Stressing the importance of solid financial and programme management, the delegations urged the Fund to keep internal procedures under close scrutiny and continuous review. The delegations were pleased to learn that the Fund was taking into account audit-related matters in the performance assessment of UNFPA representatives. The delegations stressed that while the Enterprise Resource Planning (ERP) system promised to be a useful tool, no miracles should be expected from it. With reference to the Fund's coordinating role, delegations emphasized that such a role was central to the Fund's engagement at the country level and should be effectively fulfilled.

72. Delegations stated that audits were a valuable tool for organizational learning and noted that the principles of solid financial management should pervade the Fund's organizational culture. The delegations asked if the comprehensive audit and recommendations database system (CARDS) was functioning satisfactorily. The delegations encouraged UNFPA to continue its efforts to simplify and harmonize with its United Nations Development Group (UNDG) partners to streamline processes that would reduce the burden on programme partners. The delegations welcomed the proposed updates on progress in addressing issues identified through audits.

73. The Deputy Executive Director (Management) thanked the delegations for their constructive comments and noted that UNFPA greatly appreciated the comments from delegations regarding the transparency and thoroughness of the Fund's report. She emphasized that the Fund did not expect the ERP system to perform miracles, nevertheless, UNFPA believed that the system would help improve the Fund's business procedures and processes. The Fund had several major efforts under way to strengthen financial management, including a new competency-based human resource strategy; the realignment of the country offices; the creation of an

operations manager post in 44 country offices; a strengthened Audit Services Branch and its involvement in monitoring project audit processes as well as recommendations, and providing units at headquarters and country offices with feedback; and the creation of an Oversight Committee. She noted that UNFPA had been very much a part of the UNDG simplification and harmonization efforts and was a member of the task force on financial management and accountability. She underscored that collectively those measures would lead to a qualitative leap forward in terms of effective financial and programme management.

74. The Director, Division for Oversight Services, responding to the query on CARDS, noted that initially some connectivity problems had been encountered. However, with the Fund's major investment in improving connectivity in establishing the ERP system, those problems would dissipate. She noted that as of 2003, the Geographical Divisions were monitoring and reviewing the follow-up to audit recommendations pertaining to their respective regions. The Geographical Divisions would periodically provide updates on the status of implementation to the Oversight Committee. Meanwhile, the Audit Services Branch would continue to monitor follow-up action undertaken by concerned units at headquarters. Concerning coordination, she pointed out that UNFPA operated under the guiding principle that coordination was a responsibility of governments to promote their ownership of programmes. Nevertheless, the Fund recognized the many challenges they faced, particularly as a result of multiple reporting requirements, and had endeavoured to facilitate coordination in the reproductive health area. She added that the simplification and harmonization efforts of UNDG coupled with the collaboration of donors would help to reduce the reporting burden on programme countries.

75. The Executive Board adopted decision 2003/14 on internal audit and oversight for UNDP, UNFPA and UNOPS.

XI. Field visits

Field visit to Mozambique

76. The rapporteur introduced documents DP/2003/CRP.10 and DP/FPA/2003/CRP.1. Delegations thanked the Government of Mozambique for hosting the joint field visit. They also thanked the United Nations country team and the Executive Board secretariat for the excellent arrangements they made.

77. They observed that the visit offered delegations an opportunity to understand better the contribution made by the United Nations country team in supporting national strategy through the United Nations Development Assistance Framework (UNDAF). Coordination in Mozambique was considered a model for emulation by other programme countries. They noted that there was room to strengthen United Nations coordination with the large donor community in Mozambique.

78. Regarding the UNDP component of the visit, delegations commended the country office for the reforms it had undertaken in line with the new UNDP. They observed, however, that the exercise had been difficult and involved hard choices, such as staff retrenchment. They also noted that UNDP was involved in many

activities at the policy and operational levels, which constrained effectiveness. They recommended that the organization should be more focused.

79. Delegations commended UNFPA programmes, which supported government priorities with a focus on capacity building and partnerships.

Field visit to Ecuador

80. The rapporteur introduced document DP/2003/CRP.11. Delegations thanked the Government of Ecuador for hosting the visit. They also thanked the United Nations country team and the Executive Board secretariat for the excellent arrangements. They stressed that the visit enabled delegations to interact with people from many walks of life and to understand better how assistance was coordinated among governments, the United Nations and bilateral donors. They also reported that the assistance supported national priorities, including the empowerment of women and reproductive health.

81. They observed that the United Nations country team had, through the resident coordinator system, used the common country assessment (CCA) and the United Nations Development Assistance Framework (UNDAF), which had improved efficiency and effectiveness. However, they called for strengthened coordination among United Nations organizations, the international financial institutions and bilateral donors in programme design, implementation, monitoring and evaluation.

82. The Executive Board adopted decision 2003/15 on joint field visits, calling, inter alia, on the Bureaux of Executive Boards of UNDP/UNFPA, UNICEF and WFP to prepare options for the joint field visit in 2004 for consideration by the Boards of the respective organizations in the September and October sessions in 2003.

UNFPA segment

XII. Report of the Executive Director for 2002

83. In her introductory statement, the Executive Director focused on the five pillars that underpin the organizational priorities of UNFPA: ensuring financial stability of the Fund and meeting resource targets; advancing the agenda of the International Conference on Population and Development (ICPD) and linking it with the Millennium Development Goals (MDGs); implementing the initiatives of the UNFPA transition; networking; and knowledge sharing. She updated the Executive Board on the highly successful 34 Million Friends campaign that, to date, had yielded $1.3 million. She noted that half a million dollars would be used to prevent and treat obstetric fistula in sub-Saharan Africa. She also updated the Board on the practical results emerging out of the implementation of the transition, including the strengthening of country offices. She stated that the Fund's new strategic direction had better equipped it to position population and reproductive health within the framework of the MDGs, and to participate in poverty reduction strategy paper (PRSP) processes. She reiterated the importance of core resources and the role they played in maintaining the multilateral, neutral and universal nature of UNFPA

assistance. She noted that the income picture for core resources in 2003 appeared optimistic. She extended her warm thanks to all delegations that had provided strong moral and financial support to UNFPA at a time of great need. She stated that UNFPA was very grateful to the countries that had helped the Fund to make up a significant portion of the loss of a contribution from one major donor, and that had enabled the Fund to reach an all time high of 136 donors.

84. During the discussion, numerous delegations commended the Executive Director's statement and the Fund's work in advancing the ICPD agenda that was central to achieving the MDGs. Delegations commended the efforts undertaken in the area of reproductive health commodity security (RHCS); HIV/AIDS prevention, including the linkage with reproductive health; humanitarian assistance; advocacy, including mobilizing parliamentarians and religious and community leaders; results-based management; PRSPs and sector-wide approaches (SWAps), particularly the efforts to incorporate population, reproductive health and gender issues in those processes; the initiative on obstetric fistula; the 34 Million Friends campaign; and expanding partnerships at global, regional and national levels. Delegations encouraged the simplification and harmonization work undertaken with United Nations Development Group (UNDG) partners and commended the Fund's efforts to strengthen country offices. Several delegations praised the cooperation their countries enjoyed with UNFPA and appreciated that two thirds of the Fund's resources were devoted to less developed countries (LDCs). Numerous delegations reiterated the statement of the Secretary-General that the MDGs, particularly the eradication of extreme poverty and hunger, could not be achieved if questions of population and reproductive health were not squarely addressed.

85. Several delegations appreciated the generosity of donors and, in the spirit of the Monterrey Consensus, called for increased resources for UNFPA. Delegations noted that three donors accounted for almost half of the Fund's income and urged that burden sharing should be the main principle in funding the organization. Delegations encouraged UNFPA to expand its partnerships with the Bretton Woods institutions, particularly the World Bank. Noting the divergent needs of countries, one delegation emphasized the need to take cultural diversity into account. The same delegation asked for information regarding the Fund's work with the private sector. Some delegations underscored the need for joint programming. Some delegations asked that further attention be focused on the LDCs. One delegation, while noting that SWAps were useful in certain cases, advised caution and underscored the need for greater coordination at the field level under the lead of national governments, and in support of national priorities. A number of delegations noted that regular resources should not subsidize other (non-core) resources. One delegation encouraged the Fund to use its comparative advantage to maximize the impact of reproductive health programmes, particularly for women and girls in conflict and post-conflict situations. The delegation asked that non-governmental organizations (NGOs) from Pacific countries be included in the training of NGOs in capacity-building for conflict prevention. Delegations welcomed the efforts to coordinate with the Office for the Coordination of Humanitarian Affairs (OCHA) and the Department of Peacekeeping Operations (DPKO).

86. Delegations noted that a ceremonial celebration of the tenth anniversary of ICPD should galvanize support for the further implementation of the Programme of Action. Delegations noted the current challenges regarding sexual and reproductive health and rights and urged that UNFPA be given the support and resources

necessary to work with those sensitive issues. One delegation stressed the need to assure that client participation in any programme was informed and voluntary. Delegations emphasized the need to ensure that reproductive health received proper attention in national processes, including the common country assessment (CCA) and the United Nations Development Assistance Framework (UNDAF). A number of delegations suggested that the annual report and the report on the multi-year funding framework (MYFF) should be combined.

87. The Executive Director thanked the Executive Board members for the positive comments, support and guidance. She thanked Canada, the Netherlands and the United Kingdom for the additional support provided for reproductive health commodities. She added that more and more developing countries were introducing budget lines for contraceptives and undertaking cost-sharing. She underscored that UNFPA would continue to accord high priority to RHCS and agreed that it should be clearly linked into the MYFF. She thanked Finland for its additional contributions to adolescent reproductive health and the obstetric fistula initiative; and Canada and the Netherlands for their support to the Fund's work with SWAps. She agreed that HIV prevention and reproductive health must be integrated. It was increasingly evident that women were becoming infected at a much higher rate than before. UNFPA was strengthening its response to HIV/AIDS, including through support to the Fund's country technical services teams and partnerships with UNAIDS, UNICEF, ILO, the World Bank and others. She observed that as part of the bilateral collaboration with the World Bank, much progress had been made in the area of HIV/AIDS. She thanked the European Union for its support in the area of HIV/AIDS, as well as in other areas.

88. She noted the increasing collaboration with DPKO in the area of humanitarian assistance and stated that the Fund played a strong advocacy role in ensuring attention to gender issues in consolidated appeals, response planning and emergency-preparedness initiatives. She added that UNFPA had significantly expanded its work with men in conflict/post-conflict situations, particularly the uniformed services. She concurred that in keeping with the ICPD Programme of Action client participation should be informed and voluntary and stated that the Fund's objectives and monitoring were geared to that. Regarding the query on the private sector, she noted that UNFPA was moving forward in partnering with the private sector and guidelines had been issued to country offices. In a number of countries mutually beneficial relationships were being developed with corporate partners. At the same time, caution was needed to avoid conflict of interest and to ensure that the concerned companies did not have human rights violations. She recognized the importance of cultural diversity and thanked Switzerland for supporting the Fund's work in the area of culture. She noted that a number of country case studies had been undertaken and were being finalized. She agreed that it was important to accord high priority to the LDCs and noted that the vast majority of the newly created operations manager posts would be located in LDCs to strengthen the country offices. She noted that the implementation of the transition was moving on target. She confirmed that preparations were under way to mark the tenth anniversary of ICPD. She thanked the Executive Board members for the guidance on combining the annual report with the MYFF report.

The multi-year funding framework

89. During the discussion on the cumulative report on the MYFF, numerous delegations commended the progress made in achieving the MYFF goals; and the Fund's effectiveness in providing reproductive health services, supporting national capacity-building, and establishing/strengthening data systems and monitoring and evaluation mechanisms at the country level. Delegations welcomed the Fund's efforts in developing the relationship between the next MYFF and the support provided to national policy development and poverty reduction strategies. They endorsed the strategic considerations for the next MYFF cycle contained in the report and emphasized that the MYFF was a good instrument to strengthen the Fund's capacity to contribute to achieving the MDGs and implementing of the ICPD Programme of Action and ICPD+5. Delegations added that the MDGs, ICPD and ICPD+5 should continue to be the guiding framework for the next MYFF. They emphasized the need for increased resources from donors in order to meet those goals.

90. Several delegations stressed the importance of a rights-based approach to programming and called for additional focus on issues related to sexual and reproductive health and rights, with the following priorities: the role of men and boys in achieving gender equality; safe motherhood and reducing maternal mortality, including unsafe abortion; young people's access to confidential reproductive health information and services; HIV prevention; RHCS; and humanitarian assistance. Delegations commended the headway UNFPA was making with regard to HIV prevention and encouraged UNFPA to develop innovative ways to deal with the epidemic. Noting that it had certain doubts about the A, B, C approach to HIV prevention, one delegation stated that it was interested in developing joint programming with other actors in the area of HIV/AIDS. One delegation suggested a new focus on youth as actors and partners. One delegation encouraged UNFPA to take a more proactive role on the issue of migration. Delegations asked about the rapid improvement in the availability and quality of reproductive health services, inquiring if the near doubling of outlets applied only to services directly supported by UNFPA. They were interested in knowing what UNFPA was doing to scale up systems and services. Referring to the Fund's vital role in RHCS, one delegation commended UNFPA for forging strategic partnerships and called for new partnerships to finance commodities.

91. One delegation was pleased to note that the next MYFF would include the identification of and reporting on outcomes – a higher level of the results chain than outputs – and inquired if UNFPA planned to define and/or expand reproductive health indicators in the next MYFF. One delegation expressed concern about the lack of synchronization between the MYFF cycle and the country programme cycles. One delegation urged UNFPA to give explicit attention in the next MYFF to equity in relation to health and development concerns. The delegation encouraged UNFPA to play a catalytic role in achieving ICPD goals using its own resources and leveraging and influencing the use of other resources, for example, those directed through PRSP processes and SWAps. One delegation asked about the Fund's comparative advantage vis-à-vis WHO, UNICEF and UNIFEM. One delegation noted that the affiliated institutions and subsidiary organs of the Organization of the Islamic Conference (OIC) could benefit from the Development Gateway system, adding that OIC was exploring convening an intergovernmental conference.

92. One delegation urged UNFPA to further the relationship between the goals and priorities of the MYFF, the biennial support budget and how the MYFF goals were translated into country programmes and action at the country level. Delegations encouraged UNFPA to simplify the next MYFF, making it more focused and impact-oriented, so that it would be the Fund's main policy document, as well as its strategic resource mobilization and management tool. Several delegations urged UNFPA to link the MYFF report and the annual report and suggested that the Fund report on the MYFF every two years.

93. The Executive Director thanked the delegations for their constructive comments and assured the members of the Executive Board that UNFPA would organize informal consultations to seek the guidance of the Board. She concurred with the suggestion that the Fund report on the MYFF every two years, instead of annually. She welcomed the suggestion regarding joint programming. Regarding the A, B, C approach, she noted that a combination of approaches appeared to be the way to go in the fight against HIV/AIDS. Concerning migration, she noted that the Fund focused on certain specific areas due to limited resources. Nevertheless, some of the new country programmes had selected migration as a key area of focus. She agreed on the importance of scaling up efforts at the national level and noted that the Fund was working in that direction. She appreciated the comments about the Fund's key role in RHCS. She welcomed the comments regarding the OIC. She noted that UNFPA worked closely with its sister agencies. Each had its area of comparative advantage: WHO set standards and norms; UNICEF focused mainly on children; and UNIFEM focused on the political and economic empowerment of women.

94. The Chief, Strategic Planning Office, stated that the guidance offered by the delegations would be useful in formulating the new MYFF. She was encouraged that delegations had stressed the same priorities as those identified by the Fund. She confirmed that a rights-based approach was an integral part of the Fund's strategic direction. She noted that the increase in outlets providing reproductive health services mainly pertained to those supported by UNFPA, however the Fund was also monitoring those indicators at the national level. She observed that the Enterprise Resource Planning system would enable closer linkages between the goals of the MYFF and the biennial support budget. Regarding the synchronization of the MYFF cycle and the country programme cycles, she pointed out that it would be difficult to begin 90 or more country programmes in the same year. She added that simplification and harmonization efforts were under way to harmonize the programme cycles of UNDG partners. She underscored the importance of a rigorous monitoring and evaluation culture and emphasized the need to continue investing in reliable data systems and data collection and analysis. She concurred that it would be more practical to report every two years on the MYFF, instead of annually.

95. The Executive Board adopted decision 2003/16 on the UNFPA annual report and decision 2003/17 on the UNFPA multi-year funding framework.

XIII. Delegation of UNFPA personnel authority

96. The Deputy Executive Director (Management) introduced the report on delegation of formal authority to the Executive Director on UNFPA personnel matters (DP/FPA/2003/5). She provided background information and noted that the

UNFPA request had been endorsed by UNDP. She stated that UNFPA had also consulted with the Executive Office of the Secretary-General, and it had recommended, as advised by the United Nations Office of Legal Affairs, that UNFPA should follow the process of submission to the General Assembly through the Advisory Committee on Administrative and Budgetary Questions (ACABQ), the Executive Board and the Economic and Social Council. She noted that ACABQ in its report (DP/FPA/2003/10) had recommended approval of the recommendation contained in paragraph 11 of the Fund's report (DP/FPA/2003/5).

97. Numerous delegations took the floor to support and endorse the recommendation that the Executive Board recommend to the General Assembly, through the Economic and Social Council, that formal authority in matters of UNFPA personnel be delegated to the Executive Director by the Secretary-General. Delegations welcomed it as a step in the right direction and noted that it would help to improve the management, efficiency and accountability of UNFPA personnel services.

98. The Executive Director thanked the Executive Board members for their endorsement and for the confidence placed in her. She also expressed appreciation for the support provided by the Administrator of UNDP.

99. The Executive Board adopted decision 2003/13 on the delegation of UNFPA personnel authority.

XIV. Funding commitments to UNFPA

100. In introducing the report on funding commitments to UNFPA (DP/FPA/2003/6), the Executive Director underscored the critical importance of regular (core) resources – the bedrock of UNFPA programming. She thanked the delegations for their support, noting that while there had been some increase in regular resources, the overall trend remained on the low side. The Chief, Resource Mobilization Branch (RMB), updated the Executive Board on the current income picture, noting that as of 1 June 2003, the Fund's income forecast for regular resources was approximately $287.5 million and $ 80 million for other resources. He thanked all the donors (135 countries and the Mars Trust) and expressed special appreciation for the substantial increase in contributions from some countries.

101. Several delegations welcomed the positive trend in total resources and were pleased that UNFPA had been able to attract new donors. Delegations underscored the need to increase regular resources and called on Member States to fulfil their commitments in the spirit of the Monterrey Consensus and in accordance with the multi-year funding framework. They stated that regular resources were the foundation of the Fund's programming and were essential to maintain the multilateral, neutral and universal nature of UNFPA assistance. Delegations emphasized that other (non-core) resources should be consistent with the programme priorities of the Fund. Delegations welcomed the grass-roots 34 Million Friends campaign and hoped that it would also prove successful in Europe. It was stated that funds from the campaign should be considered a supplement and the core resources of UNFPA should be provided by the Member States. Several delegations announced their contributions for 2003. A number of delegations encouraged UNFPA to expand its donor base.

102. The Executive Director thanked all the donors for their support and contributions, including the increases made by a number of countries. She stated that UNFPA would continue to work to expand its donor base. She noted that the 34 Million Friends campaign was a new source of funding and UNFPA would annually tap the "Friends" for contributions. She added that given the wide interest in Europe, the campaign would be working with European non-governmental organizations to expand the network. She noted that there was also keen interest in launching the campaign in Japan.

103. The Chief, RMB, expressed his appreciation to all donors and noted that early payments for 2003 and advance announcements of future-year contributions were very helpful to UNFPA. He encouraged donors, in a position to do so, to provide multi-year pledges. Regarding the request for clarification on annex 7 of the report, he noted that an attempt had been made to show the amounts countries were giving, including the highest level of their contribution in prior years, as well as to depict what a theoretical $1 per inhabitant contribution and 0.005 per cent of gross national product would amount to. Also, these were choices for donors to consider for renewing funding to the highest level. He added that UNFPA was continuing efforts to broaden its donor base.

104. The Executive Board adopted decision 2003/19 on funding commitments to UNFPA.

XV. Country programmes and related matters

105. In his introductory remarks, the Deputy Executive Director (Programme) noted that the links between the goals, outcomes and outputs of the proposed programmes and the common country assessment and United Nations Development Assistance Framework findings and objectives needed to be further established. He added that the Fund would strive to enhance the integration of UNFPA-supported programmes into the poverty reduction strategy paper (PRSP) processes where they existed. He noted that the Fund would seek to strengthen its ability to contribute to sector policies and programmes through its country programmes. The Directors of the Africa Division, Asia and the Pacific Division and Latin America and the Caribbean Division introduced the country programme outlines (CPOs) from their regions. The note on Myanmar was also introduced.

106. Regarding the CPOs from the Africa region – Benin, Kenya and Niger – delegations stated that the linkages of the programmes to national processes, including PRSPs and sector-wide approaches, should be strengthened. Furthermore, in view of limited funding, programmes should be strategically focused.

107. In discussing the CPOs from Asia and the Pacific region – Afghanistan, Democratic People's Republic of Korea and Pakistan – delegations commented on the need to increase the linkage of the Pakistan CPO with the PRSP processes; and expressed support for the Afghanistan CPO. Concerning the Democratic People's Republic of Korea CPO, one delegation requested a clear delineation of lessons learned from past programmes, questioned the sufficiency of personnel and sought clarification on the identification of executing agencies. One delegation requested detailed monitoring reports on ongoing projects, a concrete plan for the implementation and monitoring of future projects and reporting to the Executive

Board on a regular basis. Delegations commended the Fund's work in Myanmar, particularly the focus on reproductive health, including HIV prevention.

108. Regarding the Cuba CPO, delegations expressed support for the programme, particularly the focus on reproductive health and rights and gender equity and equality.

109. The Directors of the Geographical Divisions thanked the delegations for their constructive comments and stated that they would be transmitted to the respective countries to take into account in finalizing the programmes.

110. The Executive Board took note of the CPOs for Benin, Kenya, Niger, Afghanistan, Democratic People's Republic of Korea, Pakistan and Cuba, as well as the note on Myanmar, with the comments thereon.

XVI. Technical Advisory Programme

111. The Director, Technical Support Division (TSD), introduced the report on the Technical Advisory Programme monitoring and evaluation system, 2003-2005 (DP/FPA/2003/7). She noted that the specific objectives of the proposed monitoring and evaluation system were: (a) to assess the shift in emphasis of the Technical Advisory Programme (TAP) to more strategic interventions and undertake timely corrective actions; and (b) to assess if the new strategic approach was yielding expected results and contributing to the Fund's goals and outcomes, as stated in the multi-year funding framework (MYFF).

112. Several delegations took the floor and noted that the TAP had played an important role in capacity-building at country and regional levels and had helped to increase technical exchange and efficiency. The proposed monitoring and evaluation system was welcomed and deemed to have much merit. One delegation stated that the results statements of the monitoring and evaluation tool should be clarified and encouraged UNFPA to undertake further work in obtaining baseline data to track results. One delegation, noting that a dent had not been made in its country's population growth rate, asked whether an assessment of that was reflected in the monitoring and evaluation system. One delegation asked how the TAP would strengthen country programmes and monitoring and evaluation at the grass-roots level. One delegation stated that it looked forward to next year's report, particularly with regard to seeing how the TAP contributed to the Millennium Development Goals.

113. One delegation noted that the relevance and effectiveness of the TAP could not be considered in isolation from an assessment of the performance and skill mix of its constituent parts. Furthermore, it would be difficult to know how well the TAP performed without some comparison with alternative approaches for providing technical assistance. The delegation offered the following suggestions: continuous feedback from primary clients should be utilized to make rapid response adjustments to the TAP; and key constituents and stakeholders, i.e., the clients, should have a regular opportunity to assess and help shape the technical assistance they receive. The same delegation asked how the TAP monitoring and evaluation system and the information it generated would be used to guide decisions and the design of future arrangements for the provision of technical assistance.

114. The Executive Director stated that through the TAP system UNFPA was working to enhance national dialogue, including strengthening the capacity of country offices to engage in such dialogue; and to strengthen national institutions in providing technical assistance.

115. The Director, TSD, appreciated the support expressed for the TAP and the proposed monitoring and evaluation system. She stated that UNFPA had taken note of the issues raised by delegations and would address them in refining the system. She noted that some assessment from clients, including country offices and other users, was foreseen and that information would be brought on board. The annual and midterm reviews would provide opportunities for such assessment. She added that the Fund would also look at comparisons with other approaches for providing technical assistance, as had been suggested. She concurred regarding the need for baseline data and noted that UNFPA would further clarify the results statements and indicators. She observed that UNFPA valued the guidance provided by the delegations. Regarding the query from one delegation about the impact of the TAP on its country's population growth rate, she noted that it was too early to assess the impact, and perhaps the issue could be better addressed in the MYFF. She stated that the TAP sought to provide high quality technical advice and assistance to countries for more effective design of country programmes. She was gratified that programme countries felt that the TAP was providing valuable technical assistance.

116. The Executive Board took note of the report (DP/FPA/2003/7).

XVII. Other matters

Global Environment Facility

117. Extensive consultations among delegations on document DP/2003/23 resulted in the drafting and adopting of decision 2003/20 by the Executive Board on the GEF without a debate in the plenary.

118. The Executive Board thus adopted amendments to the Instrument for the Establishment of the Restructured Global Environment Facility, including those related to land degradation – primarily desertification and deforestation – and persistent organic pollutants as two new focal areas of GEF.

119. The Administrator of UNDP was asked to transmit the decision 2003/20 to the Chief Executive Officer/Chairperson of GEF.

120. Furthermore, UNDP was asked to play an active role in land degradation activities, especially in Africa region, bearing in mind that land degradation constrains efforts to reduce poverty.

Poverty reduction strategy papers

121. Delegations, in discussing document DP/2003/24, welcomed the participation at the session of the representatives from the World Bank and the International Monetary Fund (IMF). They expressed appreciation of the good cooperation

between the three organizations and the recent joint memorandum from the United Nations Development Group (UNDG) and the World Bank on the relationship between the Millennium Development Goals (MDGs) and the poverty reduction strategy papers (PRSPs).

122. In view of increasing workload at the country level resulting from the implementation of PRSPs and MDGs, delegations wished to know whether UNDP had adapted its structure to the needs arising from UNDP work to support the PRSP process and had increased the budget to build adequate capacity at the country level. Others wished to know the consequences on UNDP as an organization and coordinator of the United Nations system at the country level resulting from these additional activities.

123. They encouraged UNDP to evaluate the United Nations Development Assistance Frameworks (UNDAFs) in light of the organization's increasing involvement with PRSP where they exist. It was also suggested that new and stronger guidelines on PRSP by the UNDG were necessary, including ways to streamline CCAs and UNDAFs.

124. Some delegations raised concerns about limited participation and ownership of PRSPs. They urged that steps be taken quickly to broaden participation and clarify ownership of the process at the country level.

125. Other delegations wished to know what steps had been taken to build independent capacity at the national level to evaluate PRSPs and to develop indicators to measure performance. They requested that UNDP provide information, for the second regular session 2003, about how the organization intended to follow up on the recommendations and findings contained in the PRSP evaluation report.

126. The representatives of the evaluation offices of UNDP, the World Bank and the IMF advised that they were not in a position to respond to some questions because they fell under the purview of the senior management of their respective institutions. They responded to those issues that related to their mandate.

127. The Director, Evaluation Office, UNDP, reported that the idea of an evaluation on the link between the PRSP process and the UNDAF would be explored in the future in collaboration with the funds and programmes. He noted that in view of the findings UNDP might review the issue of new PRSP guidelines. Regarding national capacity development for independent evaluation of PRSPs, he recommended that countries should utilize IDEAS – the International Development Evaluation Association set up jointly by the World Bank and UNDP. On the relationship between UNDP budget strategy and outcomes, the Director stressed the importance of high quality expertise to ensure the organization's effective engagement in its operations.

128. The representative of the World Bank stated that many of the findings of the UNDP Evaluation Office resonated with those of the World Bank. He advised that more work was needed to integrate the MDGs into the World Bank country assistance strategy (CAS). He also stressed the need to strengthen donor coordination to reduce transaction costs.

129. The representative of the IMF observed that as a result of the UNDP evaluation exercise on the PRSP process, two areas in the work of the IMF needed further attention: (a) the integration of the MDGs in macro-economic frameworks and their

implications; and (b) the role of UNDP and other partners, including those based in Washington, D.C., in the management of donor supported and country-owned and driven programmes.

130. The Associate Administrator stressed that there was a need to strengthen the capacity of the country offices to handle increased responsibilities resulting from MDG and PRSP activities. However, he regretted that there was no budget provision for that purpose. He recommended that country offices should avail themselves of the expertise available in some offices.

World Solidarity Fund

131. Delegations observed that the World Solidarity Fund had the potential to play a crucial role in mobilizing resources with which to address poverty, hunger and other goals set out in the Millennium Declaration. They advised that the Fund should have clear terms of reference and a concrete strategy paying particular attention to other funds administered by UNDP.

132. UNDP was requested to provide further information at the meeting of the Economic and Social Council in July 2003 about the measures required to make the Fund operational.

Joint meeting of the Executive Boards of UNDP/UNFPA, UNICEF and WFP

133. The annual session was preceded by the first ever two-day joint session of the Executive Boards of UNDP/UNFPA, and the United Nations Children's Fund (UNICEF) with the participation of the World Food Programme (WFP). Teams from some countries participated in the specific aspects of the debate: Benin in simplification and harmonization, Malawi in HIV/AIDS and Nepal in MDGs.

Simplification and harmonization

134. The Executive Director of UNICEF provided an overview of the 18-month-long simplification and harmonization process undertaken by the United Nations Development Group (UNDG) Executive Committee in implementing the provisions of the triennial comprehensive policy review (General Assembly resolution 56/201 of 21 December 2001). These included the new Country Programme Action Plan (CPAP), which gave each agency a standard format for planning with partners for the duration of the programme cycle. She stressed that the ultimate test for all the simplification and harmonization efforts would be greater effectiveness and reduced transaction costs.

135. The Chairperson of the UNDG Programme Group explained the objectives, guiding principles and approaches of the simplification and harmonization process; provided a status report on progress to date; and introduced one of the simplification and harmonization tools – the UNDAF results matrix. Five countries – Benin,

Ecuador, Kenya, Niger and Pakistan - were presenting their country programmes to the Executive Boards and testing the new simplification and harmonization tools.

136. The Chairperson of the UNDG Management Group explained the principle behind common resource transfer modalities among Executive Committee agencies, which would reduce the burden on government partners. On joint programming, the objectives were to improve effectiveness and achieve better results and to improve efficiency specifically to reduce transaction costs for Governments as well as donors. The goal was to produce revised guidance by the end of 2003. She explained the three modalities of resource management: parallel funding; pass-through; and pooled funding. She described sector-wide approaches (SWAps), another resource modality, as a form of pooled funding.

137. A representative of the Government of Benin and the United Nations Resident Coordinator for Benin reported on the experience to date in that country.

138. Speakers agreed that the work on simplification and harmonization, which was essential to increasing the efficiency and effectiveness of the United Nations system, had made significant progress and remained on track. Work in this area was central to programme delivery and would help to reduce transaction costs, while placing developing countries firmly "in the driver's seat" with regard to their national goals and priorities. The relation of simplification and harmonization with poverty reduction strategies and the UNDAF was seen as an important aspect. Speakers stressed the importance of linkages with the Organisation for Economic Cooperation and Development/Development Assistance Committee (OECD/DAC) and the international financial institutions.

139. Many speakers expressed appreciation for advances made by the funds and programmes in the area of joint programming, although some indicated that joint programming should be pursued where it is appropriate, and in close consultation with the Government. Referring to a recent decision by the UNICEF Executive Board on joint programming, speakers suggested that other UNDG Executive Committee agencies should follow up on the issue.

140. The issue of resource mobilization was raised by several speakers, with a number of them encouraging the pooling of resources and integrated budgeting. Other issues raised included: the need to strengthen coordination; the need to strengthen national capacity-building; the importance of lessons learned; and the need for enhanced monitoring and evaluation in order to demonstrate that these initiatives can work at the country level.

141. Numerous comments were made about the future role of the joint meetings of Boards. They were seen by a number of delegations as an appropriate forum for policy dialogue, and it was suggested by these delegations that they be institutionalized, that reports and other background material be prepared jointly and in a timely manner by the relevant secretariats, and that they be given the authority to make formal decisions. A number of other delegations dissented from these proposals. Other suggestions for future agenda items included assessments of progress in simplification and harmonization and joint field visits.

Briefing on Iraq

142. The representatives of UNDP, UNFPA, UNICEF and WFP briefed the Executive Boards on their ongoing and planned activities in Iraq. They all reported progress in their respective areas of competence, which included reproductive health, education, immunization of children, food distribution, water supply and sanitation, energy supply, job creation and capacity development, especially since the adoption of Security Council resolution 1483. They also reported that the number of national and international personnel in Iraq had increased and were extending services to more areas despite the lingering security problems.

143. They reported that their activities were being coordinated and harmonized among the respective organizations, on the one hand, and with those of other stakeholders, including NGOs community-based organizations, to ensure coherence, efficiency and effectiveness. UNICEF, for example, was collaborating with the World Health Organization in the assessment of the health sector; UNFPA was partnering with other agencies to provide health facilities for women; and UNDP was working with WFP in support of dredging activities. UNDP was also creating jobs to support sectors where other agencies were involved, such as the health sector. The funds and programmes were all involved in the UNDG working group on recovery and reconstruction coordinating the needs assessment effort.

144. The Executive Boards were also briefed on planned meetings for 23 and 24 June 2003 on the United Nations appeal, as well as a technical informal meeting, to share information on forward planning for the reconstruction of Iraq.

Transition from relief to development

145. The Executive Director of UNICEF gave a progress report on the UNDG Executive Committee on Humanitarian Affairs (ECHA) working group on transition issues, in her capacity as its chairperson. The working group had been established to promote national leadership in the transition from relief to development, and to clarify the role of both the United Nations and donors in supporting this process. Priorities during the transition phase included support for consolidation and stability, restoration of basic services and infrastructure, promotion of human rights and local capacity-building and support for refugees and internally displaced persons. The working group was focusing on eight countries and/or subregions that reflected a variety of circumstances, including countries with Security Council mandates, peace-keeping offices, special representatives of the Secretary-General, or the adaptation of existing tools like the Consolidated Appeals Process (CAP). The working group would present a progress report to the Economic and Social Council in July, and submit its report to the Secretary-General by September.

146. The Deputy Minister of Foreign Affairs and Cooperation of Mozambique said that her country had a long history of coordination with the United Nations system, focusing both on immediate needs and long-term development. As demonstrated during the recent field visit by members of the Executive Boards, government ownership was central to this process, and coordination among all partners was the key to its success.

147. Issues raised by other delegations included: the need for increased coordination between United Nations agencies, including not only the funds and programmes but also the Office of the High Commissioner for Human Rights and the Department of Peacekeeping Operations; the need to consider natural as well as man-made disasters in the exercise; the need for the funds and programmes to focus on strengthening the capacities of people affected by disasters and the need to address gender issues in the transition phase.

148. Asked for update on the "Four Rs" (Repatriation, Reintegration, Rehabilitation and Reconstruction) concept developed by UNHCR, and the Brookings process, concerning the gap between emergency funding and long-term reconstruction needs, the Executive Director said that the working group was trying to integrate the lessons of those initiatives. Recent missions to Sierra Leone and Sri Lanka would be assessed in its upcoming reports.

149. The issue of adequate funding was raised by several speakers. One representative said that his Government has established a separate budget line for transitional activities, 70 per cent of which had been channelled through the United Nations. Other funding challenges were the lack of coordination when transition moved from relief to development, and the lack of instruments for doing so, including the CAP. A final speaker referred to his Government's recent extensive experience in Afghanistan, where a lot of infrastructure had to be rebuilt while people still had to be fed and security was a problem. Because of good coordination between agencies, there had been good results, and these lessons were being applied to the country's assistance to Iraq via international organizations.

Building on Monterrey

150. Delegations said that the Monterrey Consensus, reached at the International Conference on Financing for Development, had stressed that actors should remain engaged in follow-up activities through relevant intergovernmental and other governing bodies of stakeholders, and share experiences in the implementation and mainstreaming of the Consensus in United Nations operational activities at the national level.

151. They also stressed the urgency of galvanizing the follow-up activities, in particular the reduction of poverty, marginalization and destitution. They underscored the importance of a new compact among donor and recipient countries.

152. Delegations strongly supported the creation of instruments to measure the implementation of Millennium Development Goal 8, on developing a global partnership for development. They called on UNDP and the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD) to develop such tools in full consultation with developing countries. They also stressed the significance of mutual accountability by donor and recipient partners.

153. Delegations renewed their determination to support the activities of the funds, programmes and specialized agencies of the United Nations, while underlining the need for increased official development assistance (ODA) in a stable and predictable manner. They also emphasized the importance of coherence, coordination and

simplification of procedures and programmes, and active partnership by all actors to increase efficiency and effectiveness in resource utilization. They also observed that democratic governance and the rule of law were essential elements in establishing an enabling environment for domestic resource mobilization and the building of domestic capacities to empower countries to be responsible for their own development. Some delegations, demonstrating their support of follow-up activities to the Monterrey Conference, announced increased contributions to ODA.

154. Representatives of UNDP, UNFPA, UNICEF and WFP reported on activities in their respective areas – democratic governance, vaccinations, reproductive health, empowerment of women and humanitarian support undertaken in programme countries – in the implementation and mainstreaming of the Monterrey Consensus. They said that although their resources remained below demand, the Monterrey Conference had resulted in announced contributions to ODA, without which the situation would have been worse as a result of deflationary pressures in major donor countries. They stressed the need for better coordination among themselves and with other bilateral donors and international financial institutions, especially the World Bank, for effective and efficient utilization of scarce resources. They also supported the need to develop tools to measure performance and monitor impact at the national level.

HIV/AIDS: Addressing the recommendations of the five-year evaluation of UNAIDS

155. The Executive Director, UNFPA, speaking on behalf of the four agencies – UNDP, UNFPA, UNICEF and WFP – provided an overview of the five-year evaluation of UNAIDS, highlighting the findings, the implications for agencies, the recommendations of the UNAIDS Programme Coordinating Board (PCB) and how agencies had begun to address them. The Chair of the United Nations Theme Group on HIV/AIDS in Malawi, highlighted the challenges faced by the United Nations system at the country level, using Malawi as a case study. The Coordinator of the National AIDS Commission of Portugal, representing the Chair of the PCB, made a presentation focusing on UNAIDS governance-related issues and recommendations pertinent to the Executive Boards of the co-sponsoring agencies.

156. Delegations stressed the importance of recognizing the dynamic nature of the epidemic and the need to break the silence and stigma surrounding HIV/AIDS. They stressed that reproductive health should not be delinked from HIV/AIDS. Speakers noted that in meeting the challenge of HIV/AIDS, it was essential to mobilize additional resources, both financial and human, and to ensure that the response was results-based and gender-sensitive, with particular attention focused on the needs of women and girls. Numerous delegations underscored the need to strengthen cooperation among the agencies, particularly at the country level and within the theme groups. It was stated that the United Nations system should facilitate national efforts through increased coordination and donors that should be prepared to support UNAIDS coordination mechanisms, including fully funding all components of the UNAIDS unified budget and work plan. Delegations encouraged the co-sponsors of UNAIDS to bring further consistency to their HIV/AIDS response.

157. Several delegations recommended that there should be a standing agenda item for the Executive Boards on the PCB recommendations and decisions. A number of

delegations encouraged the agencies to undertake joint programming and also recommended that joint field visits focusing on HIV/AIDS should be organized in cooperation with UNAIDS for members of the Executive Boards. Delegations underscored the importance of system-wide sharing of the lessons learned from UNAIDS regarding improving the working methodology of the PCB and encouraged full cooperation and communication among the Executive Boards and the PCB. Emphasizing the linkage between food insecurity, malnutrition and HIV/AIDS, delegations stressed the need to coordinate food aid with other types of aid in addressing the epidemic. Delegations also pointed out the need to contribute to the ongoing discussion and dialogue on HIV/AIDS and governance issues in their own countries.

158. The agencies, together with the UNAIDS Secretariat which had also participated in the discussions, noted the guidance and recommendations offered by delegations and offered examples of their harmonized and collaborative work in addressing the HIV/AIDS crisis in Southern Africa and elsewhere. They welcomed the emphasis on gender and on the linkage between reproductive health and HIV/AIDS prevention, and concurred that food and nutrition should be a component of the strategy to fight HIV/AIDS. The lack or depletion of human resources resulting from the HIV/AIDS epidemic and the impact on the absorptive capacity of countries was underscored. The agencies agreed that innovative entry points were necessary to tackle the epidemic and that a results-based approach was essential.

Millennium Development Goals in Nepal

159. The debate was based on the implementation of the Millennium Development Goals in Nepal, with presentations by representatives from the Government, the United Nations country team and a non-governmental organization.

160. Delegations stressed that the primary responsibility for mainstreaming the goals into operational activities and reporting lies with the country. They called on the United Nations to provide adequate support in that regard.

161. Delegations commented, asked questions or sought clarifications which included: (a) the consultation process; (b) the integration of the goals into the UNDAF, the 10-year development plan and PRSP; (c) the relationship between the United Nations and the World Bank in development policy and in monitoring the goals; (d) the harmonization and coordination of activities among various donors in such sectors as capacity-building for data collection; (e) alignment of indicators and targets to reflect specific national situations; (f) the role of the United Nations system in conflict resolution; (g) the relationship between the United Nations and non-State actors; and (h) the costing of implementing the goals at national level.

162. The respondents said that comprehensive consultations had been conducted among parliamentarians, civil servants, special interest groups, women, different community entities and regions and the donor community. They spoke about the convergence in the design of strategies for the UNDAF and the goals. Objectives and outcomes in such areas as girls' education, provision of safe drinking water and reduction of child and maternal mortality had been clearly spelled out. The Millennium Development Goals had also been incorporated into the PRSP process and the United Nations team in Nepal had worked closely with the World Bank and

other relevant stakeholders. The overall relationship between the United Nations and the World Bank at the global and national levels was good. A joint note by the heads of UNDP and the World Bank had been sent to all staff on their working relationship whose activities complement each other.

163. The indicators and targets had been realigned through extensive consultations, without losing the universality of the goals. The costing exercise was considered essential in determining how much was required to meet the targets. In the area of coordination and harmonization, donors were working together, for example, to build capacities for data collection and analysis and to enhance coherence, efficiency and effectiveness. Through decentralization, the UNDP governance programme had enhanced local communities' participation in the implementation of goals for education, with support from other United Nations agencies.

164. The panel said that on conflict, the Government and the United Nations system were working together to address the root causes. The United Nations had adopted a strategy and was strengthening its capacity in that area. Members of the Boards were informed that NGOs and other non-State actors were working closely with the government and the country team to publicize the Millennium Development Goals through advocacy messages. A national conference of NGOs had adopted a resolution on promoting awareness of the goals at all levels in the country.